



June 16, 2005

House Commerce Committee
Lansing, Michigan

Re: SB 533 (S-5)

Dear Committee Members,

The Michigan Environmental Council supports efforts to incorporate the latest technologies into products and services. In many cases those advancements can lead to protection of public health and conservation of our natural resources. We are concerned that the proposed bond will not lead the significant economic development in the short term. Proposed changes in intended use of the authorized bond away from potential projects in the energy sector we think is a step in the wrong direction.

We suggest the committee include into the proposal the authority to use available funds for clean energy technology – both alternative energy and energy efficiency technologies.

The reasons for our support for clean energy technologies are as follows:

- **Stop the flow of dollars out of the state** – Michigan exports \$18 billion annually to pay for energy fuels. For each 1% of those costs we can eliminate through gains in efficiency or through the substitution of alternative fuels, Michigan businesses and residents would have additional \$180,000,000 to spend on goods and services within the state.
- **Projects ready for market** – The prices paid for fossil fuels have doubled in the last five years with no signs of reversal. The result is a wide variety of projects that are ready to be brought to market. The Governor's EDGE 2 project demonstrates the potential growth in this sector.
- **Real improvements in the lives of Michigan residents** – The pain of high energy costs are felt in our homes, schools, farms governments and businesses across the state. To the extent that Michigan can invest in clean energy technologies, the benefits will be experienced directly to residents across the state.

In order to speed the potential impact of the proposed bond, we think the legislature should explore both the producer and consumer side of the equation. In many cases, Michigan businesses, farms, government buildings are not moving forward with potential energy saving projects due to a lack of capital. The state could use bond revenues as seed

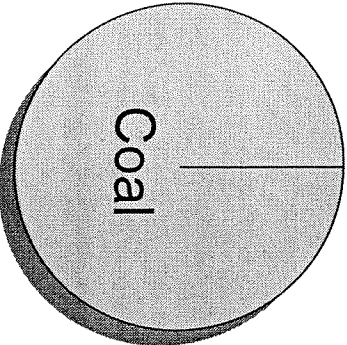
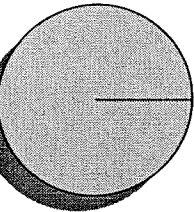
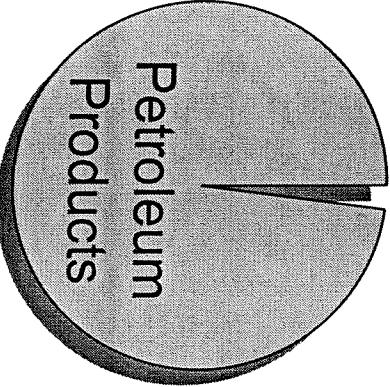
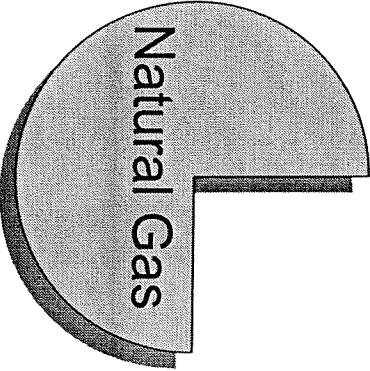
money for the establishment of an energy bank. The bank would provide loans for energy efficiency projects moving forward within the state – employing Michigan workers. Such a revolving fund would have both short-term benefits and continue to benefit future generations of Michigan citizens.

The Michigan Environmental Council urges the committee to expand the proposed uses of the bond to clean energy technologies.

Sincerely,

James Clift, Policy Director

Michigan's Heavy Dependence On Imported Fuel

2001 Energy Consumption by Fuel Type*				
796.5 Trillion Btu	279.1 Trillion Btu	1,041.7 Trillion Btu	928.7 Trillion Btu	
				
100%	100%	96%	75%	
Percent Imported by Fuel Type				

(Annual price of MI's imported fuels = \$18 billion)

*U.S. Energy Information Administration, Table 7. Energy Consumption Estimates by Source, 1960-2001, Michigan.

Michigan is Being Left Behind

Annual Investment in Renewable Energy
World Total, 1995-2003 (\$ billion)

